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SENSITIVE

C O R R E C T E D C O P Y (ADDED SBU TO ALL THREE PARAS MARKING)

SIPDIS

DEPARTMENT FOR AF and AF/EPS -TDAVISON

E.O. 12958: N/A

TAGS: [EAID](#) [ECON](#) [AFIN](#) [ET](#)

SUBJECT: RISK BASED ASSESSMENT ON AMBASSADOR'S SPECIAL SELF-HELP
PROGRAM 2009- ETHIOPIA

SUMMARY

¶1. (SBU) Embassy Addis Ababa received an allocation of USD 90,000 for the Ambassador's Special Self-Help Program (SSH) for the fiscal year 2009. Eight projects were selected for funding according to the SSH selection criteria and Mission objectives. We estimate that a total of 14,163 people will benefit through these projects. The following is a short description of the projects selected and an assessment of program-level associated risks based on the Negroponte's Risk-Based Assessment Directive of February 2008. All of the prospective grantees will get US Government support in the form of cash. Out of the eight potential grantees, four of them (Community Vision Ethiopia, Mahi Difu Child Care and Development Organization (MDCCDO), Global Team for Local Initiatives (GTLI) and Integrated Development Association of Sebeya) are local Ethiopian NGOs; three of them (Alemu Woldehanna Primary School, Guri Luchicha Primary School and Nano Jidu Elementary School) are community-level local government schools; and one of them (Bedele Rural Water Resource Supply and Sanitation Office) is a local government office entrusted with the supply of pure drinking water to ten surrounding communities. Out of the eight prospective grantees, six of them are new, and two of them, namely, Mahi Difu and Nano Jidu, were former USG grantees under the Special Self-Help program with excellent track records.

¶2. (SBU) FY09 prospective grantees:

Holder:Community Vision Ethiopia (CVE)
Project Title:Women-Led Dairy Value Chain Development in Kucha

Location:Kucha woreda, Southern Nations, Nationalities and Peoples Regional State, Ethiopia

Project Duration: One year

Estimated Beneficiaries:

- a) Number: 300 women
- b) Type: Poor rural women

Project Cost:

- a) USG Contribution Requested: USD 10,757.09
- b) Community Contribution: USD 560.00 in the form of labor and material
- c) Total:USD 11,317.09

Holder: Alemu Woldehanna Primary School
Title: Alemu Woldehanna Primary School Library Construction Project

Location: Hosanna, SNNPR
Project Duration: One year

Estimated Beneficiaries:

- a) Number: 3,598
- b) Type: Students and the community

Project Cost:

- a) USG Contribution Requested: USD 10,044.82
- b) Community Contribution: USD 24,127.00
- c) Total: USD 34,171.82

Holder: Bedele Rural Water Resource Supply and Sanitation Office
Title: Doranteba et al Spring Water Development Location: Bedele
Woreda, Illubabor Zone, Oromia Region
Duration: 1 year

Estimated Beneficiaries:

- a) Number: 4,000
- b) Type: Farmers residing in 10 rural communities

Project Cost:

- a) USG Contribution Requested: USD 10,769.03
- b) Community Contribution: USD 2,909.00 (in labor)
- c) Total: USD 13,678.03

Holder: Global Team for Local Initiatives (GTLI)
Title: GTLI Rural Trading Center Pilot Program
Location: Wasseemu, Minogelti, Hamer Woreda, SNNPR
Duration: One year

Beneficiaries:

- a) Number: 4,000
- b) Type: Pastoralist population of Minogelti

Project Cost:

- a) USG Contribution Requested: USD 11,062.46
- b) Community Contribution: USD 10,656.00 (in the form of labor, land and local construction materials for the construction of store, market shade, pit latrine and shop)

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- c) Total: USD 21,718.46

Holder: Guri Luchicha Primary School
Title: Guri Luchicha Primary School Construction
Location: Luchicha Kebele, Kersa Woreda, Arssi Zone, Oromia Region
Duration: 1 year

Beneficiaries:

- a) Number: 563 (287 boys and 276 girls)
- b) Type: School-aged children in a mostly-Muslim highland community

Project Cost:

- a) USG Contribution Requested: USD 12,338.20
- b) Community Contribution: USD 5,068.75
- c) Total: USD 17,406.95

Holder: Mahi Difu Child Care and Development Organization (MDCCDO)

Title: Training-Based IGA Project for Destitute Women
Location: Gewane woreda, Hanakis Kebele
Duration: One year

Beneficiaries:

- a) Number: 100
- b) Type: Destitute women

Project Cost:

- a) USG Contribution Requested: USD 10,117.91
- b) Community Contribution: USD 22,446.23 (in the form of labour and start up raw material mainly cotton)
- c) Total: USD 32,564.14

Holder: Nano Jidu Elementary School
Title: Construction of Additional Classrooms
Location: Tikur Enchini Woreda, West Shoa Zone, Oromia Region
Duration: 1 year

Beneficiaries:

- a) Number: 840 (452 boys and 388 girls)

b) Type: School children in grades 5-8

Project Cost:

- a) USG Contribution Requested: USD 12,671.46
- b) Community Contribution: USD 11,443.50 (in local materials and labor)
- c) Total: USD 24,114.96

Holder: Integrated Development Association of Sebeya

Title: Construction of six additional classrooms in Kudu Enqui

Primary School

Location: Sebeya Kebele, Gulomekeda woreda, Tigray region

Duration: One year

Beneficiaries:

- a) Number: 762 (out of which 340 are females)
- b) Type: School-aged children

Project Cost:

- a) USG Contribution Requested: USD 12,239.02
- b) Community Contribution: USD 2,089.90 in cash and free labor.
- c) Total: USD 14,328.92

13. (SBU) Assessments of Risks:

All eight prospective grantees for FY09 are local NGOs, local government/municipalities, and primary schools. None of the grantees has a sub-grantee. All of the above potential grantees were checked against the OFAC, SDN, and Suspension and Debarment lists and no results were obtained. None of them are related to narco-trafficking. Out of the eight grantees, three of them are primary schools with school or library construction/expansion projects to benefit an additional 5,763 school-aged children, four of the grantees are local NGOs with income-generating projects to benefit 4,400 poor and marginalized rural men/women who have little to no income, and one grantee is a local government office with a water supply and sanitation project that will provide more than 4,000 rural people with clean drinking water. The areas where the eight projects will be implemented are not designated or suspected by Ethiopian federal, regional, or local governments to be areas where terrorists operate. With the exception of the school projects, which are accountable to government education bureaus of their respective local governments, all local NGO grantees are legally-registered entities either under the Ethiopian Federal Ministry of Justice, or re-registered under the recently established Charities and Societies Federal Agency or equivalent legal entities in the regional states. Moreover, each potential grantee's project site falls within the jurisdiction of the local government where the grantee intends to implement its project, and it is mandatory for each grantee to work closely with the respective local government sector office (water, health, agriculture, microenterprise, etc.) where it operates. This cooperation includes submitting a support

letter for the US-funded project from the applicable local government office to the American Embassy in Addis Ababa. This has the added advantage of knowing who the grantee is and being able to identify potential risks at an early stage.

The amount of a grant for each of the grantees ranges from USD 10,044 to USD 12,671. To ensure there is no possibility of money being diverted or misused to benefit terrorists, small grantees' project locations, type of beneficiaries, project progress and project financials are tightly-monitored by the US Embassy Addis Ababa Ambassador's Special Self-Help Program. In addition, the Small Projects Office ensures that each grantee complies with host-country's legal requirements and administrative checks.

Payments to grantees usually incorporate two methods, namely, on an advance and/or reimbursement basis. Reimbursement against receipts is the preferred approach. However, resource-limited Ethiopian NGOs rarely have the funds to operate on a reimbursement basis. In rare cases (and only under special circumstances), a grantee will receive full payment upfront if the written request is convincing.

Here are the procedures we follow in providing fiscal oversight of our grantees: (1) Immediately after signing their agreements, the grantee is required to submit a work-plan detailing the activities that will be implemented using the first advance, which usually amounts to 50% of the award, along with implementation time frame (2) (sbu) The transference of money to grantees is through the domestic

banking system (3)The grantee is expected to submit receipts for the first advance along with an interim implementation report as per the timeframe indicated in its work-plan. At this point, the grantee is also required to submit an official request for the release of the second advance together with a new work-plan to be implemented using the second advance (4)Before releasing the second advance, the Small Projects Office staff conducts a site visit to verify the grantees' reported progress.

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